

**Memorandum of the Meeting
Regular Study Session/Meeting
Twenty-Eighth Town Council of Highland
Monday, April 03, 2017**

The regular study session of the Twenty-Eighth Town Council of the Town of Highland was convened at the regular place, the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana, in the plenary meeting room on **Monday, April 03, 2017** at the time of 7:00 o'clock p.m.

Silent Roll Call: Councilors Bernie Zemen, Dan Vassar, Mark A. Herak, Steve Wagner and Konnie Kuiper were present. A quorum was attained. The Clerk-Treasurer Michael W. Griffin was present to memorialize the proceedings.

Also present: Rhett L. Tauber, Town Attorney; Peter Hojnicky, Police Chief; Patrick Vassar, Assistant Police Chief; and Police Commander George M. Georgeff, were also present.

General Substance of Matters Discussed or Proposed

1. **Discuss when employees retire into a new month how their town health insurance stops that same day. The council wishes to discuss the current policy and explore a whether there is an alternative policy possible.**

The Clerk-Treasurer reviewed the current disposition and policy regarding group health insurance, particularly since enrolling in the AIM (IACT) Medical Trust. He noted that every year participating in the Trust, the Town's increases have been well below medical inflation. The Clerk-Treasurer also explained that with the Medical Trust, it authorizes enrollment in the Trust upon hire, making coverage immediate. It also provided that coverage ends the last day of work.

Upon a colloquy with Councilor Herak, exploring why coverage is not extended for the full month if a premium has been paid, the Clerk-Treasurer explained that while the payments are structured and loosely described as premiums, participants actually pay a fee to what is a self-insurance plan operating as a medical beneficial trust for its members. So there is a coverage pool, that is actuarially evaluated, and the fees and rules are based upon that evaluation.

The Clerk-Treasurer further explained that owing to Indiana law, all public safety workers who retire and are eligible for a pension benefit have up to 90 days to give notice to the municipality whether the retiree intends to continue health insurance. If needed, the retiree would be required to pay the necessary premiums. The effect of this provision is to give retiring public safety workers up to 90 days of coverage upon separation. He further noted that for other workers the period is 60 days. In all cases, the Town's policy requires retirees to pay one hundred percent of the premium.

With leave from the Town Council, Commander Georgeff explained he had fixed his retirement date for June 7, 2017 under his enrollment in the Delayed Retirement Option Plan (DROP), giving notice his intention to retire in three years from his enrollment, locking in his pension basis on first class patrol officers' annual salary plus 20 years longevity in the year of his enrollment. *(It is noted that enrolling in DROP, the retiree fixes the basis but then receives a lump sum equal to up to three years of annual pension payments.)*

Commander Georgeff expressed his desire to have his existing health insurance coverage extended to the end of the month, granting an additional 23 days until he is covered under his spouse's group health insurance plan. He acknowledged that he had coverage for up to 90 days but if something happened, he would have to pay his premium.

He further indicated that he was not aware of current rule that group health coverage ending on the last day of work. He indicated that when he was on the Town Council, dealing with the health insurance, he recalled the policy was that workers had to wait for up to 30 days to be covered under the group health insurance. While not written, it became a practice when a worker separated in the month, since the premiums were paid, the worker whether retired or not was covered to the end of the month.

He also noted that the Associate Clerk of Payroll and Personnel stated that she advises all new hires at the time of their intake as an eligible worker. However, no notice was given to existing workers. Commander Georgeff further indicated that had he known that coverage ends at the last day of service, he might have changed his retirement date, when fixed three years ago.

Commander Georgeff reported that he investigated and discovered that the Town of Munster had a policy that offered for all workers who were retiring with eligibility to receive a pension, to pay up to three months of the group health benefit for those separating workers. The number of months was dependent upon the number of years the worker had with the municipality preceding the retirement.

The Town Council President indicated that he believed that the ending of health coverage for workers retiring early in or in the middle of a month is a matter to be addressed. He indicated that he did not favor adopting a plan based upon number of years of service. The Town Council members expressed an interest in possibly offering something for all workers retiring from the town at least to extend the coverage to the end of the month.

It was noted that the Town of Munster was also a member of the AIM (formerly IACT) Medical Trust for its group health insurance benefit. The Clerk-Treasurer asked whether the Trust was aware of the coverage extension. It was not known.

It was determined to permit the Clerk-Treasurer to further explore the information regarding the Munster plan and to contact the AIM Medical Trust to inquire about its position on local participating community's adopting such an added post employment benefit. The Town Council hoped for further information at its next study session on April 17.

2. **Review the likely agenda for the plenary business meeting.** The Town Attorney noted that the likely agenda for April 10 included a use variance matter from the Advisory Board of Zoning Appeals. The Town Attorney counseled that he would be revising his standing counsel regarding the treatment of use variances. This change is owing to litigation that ensued from the use variance petition filed by Big Star Development Company at the Town Council meeting of November 14, 2016.

The Town Attorney further stated that the Town Council was given a complete copy of the use variance petition record in the member's mailbox for the member's review. The Town Attorney indicated that this would be the practice for this and future use variances. Further, he indicated that during the consideration of use variances, he would now counsel that an opportunity be granted for the petitioner to offer comments and to allow remonstrators to comment if desired.

There being no further business necessary or desired to be discussed by the Town Council, the regular study session of the Town Council of **Monday, April 03, 2017**, was adjourned at 7:18 o'clock p.m.

Michael W. Griffin, IAMC/MMC/CPFA/CPFIM/CMO
Clerk-Treasurer